

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 H-01 INR-07 IO-13 L-03
NSAE-00 OIC-02 OMB-01 PA-01 PM-05 PRS-01 SP-02
SS-15 USIA-06 TRSE-00 DODE-00 NSC-05 ACDA-07
FEA-01 ERDA-05 AID-05 CEA-01 COME-00 EB-08 FPC-01
INT-05 OES-07 STR-04 MCE-00 /119 W
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P R 010615Z SEP 77
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC PRIORITY 8700
INFO AMEMBASSY ATHENS
AMEMBASSY NICOSIA
AMCONSUL ISTANBUL
AMEMBASSY LONDON
USMISSION NATO
AMCONSUL ADANA POUCH
AMCONSUL IZMIR POUCH
CINCEUR
CINCUSAFE
USNMR SHAPE
USDOCOSOUTH/INTAF NAPLES

C O N F I D E N T I A L SECTION 1 OF 2 ANKARA 6497

E.O. 11652: GDS
TAGS: PFOR, PMIL, EFIN, ENRG, TU
SUBJECT: TURKISH ENERGY MINISTER BERATES US INACTION ON DEFENSE
DEFENSE COOPERATION AGREEMENT

SUMMARY. IN MEETING WITH ECONOMIC COUNSELOR AUGUST 29
(AT LATTER'S INITIATIVE), KAMRAN INAN, NEW TURKISH
MINISTER OF ENERGY AND NATURAL RESOURCES, QUICKLY DISPOSED
OF QUESTIONS ABOUT TURKEY'S ENERGY PROGRAM AND CONCENTRATED
ON US-TURKISH RELATIONS. INAN DECLARED THAT TURKEY WOULD
NOT LACK FINANCING TO MAKE NEEDED INVESTMENTS IN ENERGY
FIELD, DESPITE WHAT HE REGARDED TO BE EFFORTS BY USG TO PUCH
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TURKEY INTO A CORNER FINANCIALLY IN ORDER TO FORCE TURKISH
CONCESSIONS IN CYPRUS. INAN SAID WITH SOME PASSION THAT
TURKEY WOULD NEVER GIVE IN TO PRESSURE, INCLUDING PRESSURE
OF WITHHOLDING APPROVAL OF DEFENSE COOPERATION AGREEMENT
(DCA). AND, HE ADDED, AS LONG AS THERE IS INACTION ON DCA,
TURKS WILL BE PREPARED TO BELIEVE IN US ECONOMIC EMBARGO
OF TURKEY AND OTHER SANCTIONS. GOVERNMENT IS ABOUT TO

UNDERTAKE A FAR-REACHING REVIEW OF ITS FOREIGN POLICIES; THERE WILL SOON BE IMPORTANT DECISIONS TAKEN, HE SAID, AND ADDED THAT IF IT WERE UP TO HIM, HE WOULD GIVE US THREE WEEKS TO APPROVE DCA OR SEE TURKEY DEMAND CLOSURE OF US BASES AND CUT ITS TIES WITH THE WEST. IF PRESIDENT CARTER WANTS DCA WITH TURKEY, HE SHOULD PUBLICLY DECLARE IT TO BE IN US INTEREST. INAN SAID THAT HE WAS PLANNING TO VISIT WASHINGTON WHERE HE WILL TRY TO SEE "EVERYBODY" TO MAKE CLEAR THAT TURKEY IS FED UP WITH PRESENT SITUATION. HE WILL ALSO VISIT NATO HEADQUARTERS TO GET SECRETARY GENERAL LUNS TO PREVAIL UPON WASHINGTON TO LIFT ARMS EMBARGO AGAINST TURKEY ON PAIN OF WITHDRAWAL OF TURKISH FORCES FROM NATO. END SUMMARY.

1. ECONOMIC/COMMERCIAL COUNSELOR CALLED ON TURKISH MINISTER OF ENERGY AND NATURAL RESOURCES AUGUST 29, TO DISCUSS ENERGY PROGRAM. MINISTER USED OCCASION TO EXPRESS HIS STRONG VIEWS ON EFFECT OF US ARMS EMBARGO ON TURKISH-US RELATIONS.

2. ENERGY PROGRAM. INAN DISPOSED OF HIS ENERGY PROGRAM WITH A FEW GENERAL REMARKS. ITS MAIN PRIORITIES, HE SAID, WILL BE ACCELERATED COMPLETION OF ENERGY PROJECTS ALREADY UNDER WAY; CONSERVATION OF ENERGY; FULL USE OF EXISTING ELECTRICAL GENERATING CAPACITY; AND DEVELOPMENT OF TURKISH OIL RESOURCES.

3. INAN EMPHASIZED THAT TURKEY HAD TO FIND OIL IN ITS OWN TERRITORY. THE COST OF IMPORTED PETROLEUM AND PETROLEUM PRODUCTS
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WILL COME TO \$1.5 BILLION THIS YEAR, HE SAID. (EXPORTS COULD BE AS LOW AS \$1.8 BILLION IN 1977.) HE HAD HOPE THAT TURKEY WOULD SUCCEED. ON THE BASIS OF GEOPHYSICAL STUDIES, EXCLUDING OFF-SHORE AREAS, EXPERTS ESTIMATE THAT TURKISH PETROLEUM RESERVES MAY BE IN THE RANGE BETWEEN A LOW OF 695 MILLION TONS AND A HIGH OF 10 BILLION TONS.

4. INAN WAS NOT WORRIED ABOUT FINDING MONEY TO DEVELOP TURKEY'S ENERGY RESOURCES. HE INSISTED PROUDLY THAT TURKEY HAS NO PROBLEM IN GETTING CREDITS FOR THIS PURPOSE. OIL COMPANIES ARE EAGER TO DO DRILLING AND SEISMIC SURVEY WORK FOR TURKEY, HE CLAIMED. US WAS TRYING TO PUSH TURKEY INTO A CORNER FINANCIALLY, HE SAID, BUT TURKEY WOULD TURN FIRST TO EUROPE AND THEN JAPAN, AND ONLY THIRD TO THE US FOR ENERGY CREDITS.

5. US ECONOMIC EMBARGO. ASKED EXACTLY WHAT HE MEANT, INAN SAID THAT USG WAS CONDONING, IF NOT ARRANGING, WITHDRAWAL OF CREDIT FACILITIES TO TURKEY. HE CALLED THIS AN UNBEARABLE SITUATION AND DECLARED THAT TURKEY WOULD NOT BE PUSHED TO WALL. IF US CONTINUED TO PRESSURE TURKEY BY THIS TACTIC AND BY CONTINUATION OF ARMS EMBARGO, AMERICANS WOULD BE FORCING TURKEY TO ACCEPT ALTERNATIVES TO ITS PRESENT ALIGNMENTS.

ECONOMIC COUNSELOR INTERJECTED THAT MINISTER SURELY DIDN'T MEAN THAT TURKEY WOULD FIND AN ALTERNATIVE IN SOVIET UNION OR EASTERN EUROPE. INAN AGREED THAT IT WOULD NOT. WHAT HE REFERRED TO WAS WITHDRAWAL OF TURKEY FROM ITS WESTERN ORIENTATION AND FROM THE WESTERN ALLIANCE.

6. COUNSELOR RESPONDED THAT THERE WAS NO BASIS FOR ANY BELIEF IN A US "ECONOMIC EMBARGO". DID MINISTER KNOW THAT EXPORT-IMPORT BANK OF US, AN AGENCY OF USG, HAD MADE PRELIMINARY

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C O N F I D E N T I A L SECTION 2 OF 2 ANKARA 6497

COMMITMENTS AND LOANS, EXCLUSIVE OF GUARANTEES AND INSURANCE, WITH RESPECT TO TURKEY, TOTALING OVER \$100 MILLION SINCE JANUARY AND THAT THE USG HAD SUPPORTED LOANS AMOUNTING TO \$220 MILLION FOR TURKEY THIS YEAR IN IBRD? ITEMIZING SOME OF THE CURRENT TURKISH CREDIT PROBLEMS -- OVERDRAFTS OF CENTRAL BANK IN BANKS IN US AND OTHER COUNTRIES, DELAYED PAYMENTS OF PRINCIPAL AND INTEREST ON CONVERTIBLE LIRA DEPOSITS, POSTPONEMENT SINCE MARCH 1 OF TRANSFERS OF FOREIGN EXCHANGE FOR ALL BUT MOST ESSENTIAL IMPORTS AND PAYMENTS, AND TRADE AND CURRENT ACCOUNT

DEFICITS OF GREAT SIZE--COUNSELOR SUGGESTED THAT IT SEEMED ONLY REASONABLE THAT AMERICAN AND OTHER CREDIT INSTITUTIONS SHOULD BE CONCERNED ABOUT TURKEY'S ABILITY TO REPAY FURTHER
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LOANS UNDER PRESENT CIRCUMSTANCES.

7. INAN BRUSHED THOSE FACTS ASIDE WITH REMARK THAT IS WORTH OUR ATTENTION: AS LONG AS USG MAINTAINS ARMS EMBARGO AGAINST TURKEY, PEOPLE WILL BE PREPARED TO BELIEVE IN EXISTENCE OF ECONOMIC EMBARGO AND OTHER US SANCTIONS. PRIME MINISTER DEMIREL, INAN WENT ON, BELIEVED IN A US ECONOMIC EMBARGO; ALL TOP PEOPLE IN GOVERNMENT BELIEVE IN IT; IT IS A BELIEF WIDELY HELD THROUGHOUT THE COUNTRY.

8. DEFENSE COOPERATION AGREEMENT: INTOLERABLE INACTION

TURKEY WILL NEVER BE MADE TO MOVE ON CYPRUS ISSUE AS A RESULT OF PRESSURE EXERTED ON IT BY ARMS EMBARGO OR OTHER MEANS, INAN DECLARED; IT IS ENORMOUS ERROR ON PART OF US TO BELIEVE THAT IT WILL. THIS FEELING IS SHARED BY 41 MILLION TURKS, HE SAID.

9. IF PRESIDENT CARTER HAD WANTED TO OBTAIN CONGRESSIONAL APPROVAL OF DCA, INAN THOUGHT PRESIDENT HAD ONLY TO STATE HIS OWN CONVICTION DIRECTLY TO AMERICAN PEOPLE THAT AGREEMENT WAS IN NATIONAL INTEREST, NO MATTER WHAT GREEK LOBBY WAS SAYING. INSTEAD, GREEK VOICE PREVAILS IN AMERICA. INAN CATALOGUED WHAT HE CONSIDERED TO BE THE EVIDENCE. USG IS SUPPLYING GREECE WITH "UNLIMITED" ARMS, INCLUDING TANK LANDING CRAFT NEVER GIVEN TO OTHER NATO COUNTRIES. FURTHER, WHILE US IS SILENT ABOUT GREEK VIOLATIONS OF 1947 AGREEMENT DEMILITARIZING THE AEGEAN ISLANDS (TREATY OF PARIS), IT HAS SEIZED UPON TURKISH USE OF AMERICAN-SUPPLIED MILITARY EQUIPMENT IN CYPRUS FOR PUNITIVE ACTION. HOUSE SPEAKER O'NEILL MAKES NO PRETENSE ABOUT HIS PARTISANSHIP TOWARD GREECE.

10. TURKEY CANNOT TOLERATE THIS SITUATION ANY LONGER, INAN DECLARED. TURKISH GOVERNMENT IS PRESENTLY PREOCCUPIED WITH FORMULATION OF ITS ECONOMIC PROGRAM. BUT, WHEN THIS IS SETTLED IN A FEW DAYS, IT WILL TURN ITS ATTENTION TO A MAJOR REVIEW OF FOREIGN PROBLEMS AND RELATIONS. THERE WILL BE BIG DECISIONS TAKEN.
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IF INAN HAD HIS WAY, HE WOULD DEMAND AN IMMEDIATE LIFTING OF US EMBARGO. IF THERE WERE NO ACTION IN THREE WEEKS, HE WOULD CUT TURKISH TIES WITH WEST. THEN, HE CLAIMED, MIDDLE EAST BALANCE WOULD BE UPSET AND FUTURE OF ISRAEL IN QUESTION.

11. ASKED WHY TURKEY WAS NOT MORE AGGRESSIVE IN PUTTING

ITS OWN POSITION ACROSS IN US, INAN ANSWERED THAT HE PLANS TO VISIT SHORTLY BOTH WASHINGTON AND NATO HEADQUARTERS. IN WASHINGTON HE "WILL TRY TO SEE EVERYBODY"--MEMBERS OF CONGRESS, THE STATE DEPARTMENT, THE DEFENSE DEPARTMENT, BANKS, BUSINESS--"EVERYBODY". HE WILL MAKE IT CLEAR THAT TURKEY IS FED UP WITH PRESENT SITUATION AND WILL TOLERATE IT NO LONGER. AT NATO, INAN WILL CALL ON SECRETARY LUNS TO TELL HIM EITHER TO DO SOMETHING IN WASHINGTON TO END THE US ARMS EMBARGO OF TURKEY OF "I'LL WITHDRAW MY ARMIES FROM NATO".

12. ON THAT NOTE, ECONOMIC COUNSELOR, RECALLING AN EARLIER CONVERSATION IN WHICH INAN HAD DISCUSSED HIS DISSATISFACTION WITH SULEYMAN DEMIREL'S LEADERSHIP OF THE JUSTICE PARTY, REMARKED ONLY HALF-JOKINGLY THAT HE SOUNDED LIKE A PRIME MINISTER. INAN LAUGHED AND SAID, "WHY NOT?"

13. COMMENT. STRENGTH OF INAN'S VIEWS ABOUT US ARMS EMBARGO HAS BEEN REPORTED BEFORE. THEY HAVE PROBABLY INTENSIFIED. DESPITE HIS NEW JOB--RELUCTANTLY ASSUMED-- AS MINISTER OF ENERGY, INAN OBVIOUSLY CONSIDERS FOREIGN POLICY HIS PRIMARY VOCATION. AND WITHIN THAT AREA HE IS DEEPLY PREOCCUPIED WITH US POLICY TOWARD TURKEY AND PREPARED TO DEFEND HIS COUNTRY'S INTERESTS.

14. ALTHOUGH SOME OF HIS STATEMENTS WERE FLAMBOYANT AND HASTY, INAN IS AN ARTICULATE AND FORCEFUL PARTICIPANT IN TURKISH FOREIGN POLICY DEBATE AND MUST BE COUNTED.

15. ACTION REQUESTED. IN COURSE OF CONVERSATION, MINISTER ASKED WHETHER EMBASSY COULD PROVIDE HIM WITH COPY OF "ENERGY GUIDELINES" ELABORATED BY CARTER ADMINISTRATION. EMBASSY HAS GIVEN HIM PRESIDENT CARTER'S ENERGY MESSAGE TO THE CONGRESS OF APRIL 20; FACT SHEET ON ENERGY PROGRAM RELEASED APRIL 20 BY WHITE HOUSE; AND TEXT OF PRESIDENT'S "FIRESIDE CHAT" CONFIDENTIAL

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ON ENERGY OF APRIL 18; WE HAVE ALSO REQUESTED FROM DEPARTMENT SET OF ENERGY BILLS INTRODUCED INTO CONGRESS BY THE ADMINISTRATION. EMBASSY WOULD APPRECIATE DEPARTMENT'S ASSISTANCE IN IDENTIFYING AND OBTAINING "ENERGY GUIDELINES" IF THESE ARE DISTINCT FROM WHAT WE HAVE ALREADY FURNISHED. SPIERS

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Message Attributes

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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
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Subject: TURKISH ENERGY MINISTER BERATES US INACTION ON DEFENSE DEFENSE COOPERATION AGREEMENT SUMMARY. IN MEETING WITH ECONOMIC COUNSELOR AUGUS
TAGS: PFOR, MPOL, EFIN, ENRG, TU, (INAN, KAMRAN)
To: STATE
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vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/ad4aaa3a-c288-dd11-92da-001cc4696bcc
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